

# LETTER OF SUBMISSION

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Kampus Dungun,  
23000 Dungun, Terengganu.

Dear Madam / Sir,

## **SUBMISSION OF PROJECT PAPER (FIN672)**

Enclosed here a research report entitled “**ANALYSIS OF NON-PERFORMING LOANS AMONG RHB BANK BERHAD, MAYBANK BERHAD AND CIMB BANK BERHAD IN MALAYSIA**”.

I hope this report will meet your requirement and expectations of the Faculty of Business and Management. Thank you for all the guidance, support and assistance you have generously rendered for the completion of this report.

Thank You.

Yours faithfully,



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## ABSTRACT

This study observed about the factors that influence the non-performing loan of commercial banks in Malaysia. Increase in non-performing loan can give bad impact to the profitability of the commercial bank. This study aims to analysis of non-performing loan among RHB Bank, Maybank and CIMB Bank and its relationship with the determinants as well as to determine the most significant factors that influence the non-performing loan. It influenced by the variables which include interest rate, inflation and gross domestic product. The data collected from 2008 until 2018 based on the annual report of 3 commercial bank in Malaysia. The study shows that all independent variables; inflation, interest rate and gross domestic product have negative relationship with the non-performing loan. Inflation and interest rate are significant with the non-performing loan at 5% significant level. For gross domestic product is significant at the level 10%. In conclusion, the commercial bank must make a correct decision making on their profit which can influence their daily revenue. A wrong decision making will give negative impacts for their profit.

**Keywords:** non-performing loan, commercial bank, Malaysia.